

SENATE BILL 433
By Ford

AN ACT to amend Tennessee Code Annotated, Section 8-27-302, relative to basic, optional and supplemental insurance plans and extensions of coverage.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-27-302(d), is amended by deleting subdivision (1) and by substituting instead the following:

(1) The local education insurance committee shall establish a schedule of premium payments for retired teachers participating in the basic plan authorized under subdivision (a)(1) and a schedule of premium reimbursements for retired teachers who are ineligible for Medicare and participate in equal to or better local education medical plans. The schedule for teachers participating in the local education basic plan shall be based upon the total monthly plan premiums for all participants, and the retiree's contribution shall be graduated to reflect the retiree's length of service. For retirees with less than twenty (20) years of service, the retiree shall pay seventy-five percent (75%) of the total premium under the plan. For retirees with twenty (20) but less than thirty (30) years of service, the retiree shall pay sixty-five percent (65%) of the total premium under the plan. For retirees with thirty (30) or more years of service, the retiree shall pay fifty-five percent (55%) of the total premium under the plan. The schedule of reimbursements for teachers participating in equal to or better local education medical plans shall be an amount for each participating teacher equal to the state payment for teachers participating in the local education basic plan. Payments on behalf of retirees in local education agencies which do not participate in the

local education plan shall be made directly to the local education agency. The local education agency shall certify to the commissioner of education the number of eligible retirees and their premium categories according to a schedule issued by the commissioner of education. Funds shall be distributed by the commissioner of education outside of the basic education program. All funds received by the local education agency under this reimbursement plan shall be used to reduce the medical insurance premium payments of eligible retired teachers.

SECTION 2. Tennessee Code Annotated, Section 8-27-302(d), is amended by adding the following sentence at the end of subdivision (4):

An equal amount per participating teacher shall be appropriated to the state department of education for distribution in accordance with subsection (d)(1).

SECTION 3. This act shall take effect July 1, 2005, the public welfare requiring it.